Attachment 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

September 13, 2010

Chief Investment Officer's

Consolidated Investment Activity Report

(July 2010 Reporting Period)

CalPERS Asset Allocation – July 31, 2010

General Market Commentary

The US economy finally battled back after consecutive down months in May and June, the S&P 500 gained 7% in July. This was mainly due to strong second quarter earnings that beat expectations by large cap stocks. Despite this positive news, fears of a potential double dip recession can't be shaken off. In July, the government cut their expected 2010 US GDP growth slightly to 3-3.5% from 3.2-3.7%. This may be a reflection of the curtailing of government stimulus spending come December 2010, continuing high employment, weak housing market, tight credit, and high debt. Unemployment has remained flat at 9.5%. All these issues fuel worries for a potential setback in the U.S. economy down the road.

Domestic and International Equities

The S&P 500 index return was up for the month at 7.0%. Small-cap stocks, as measured by the Wilshire Small Cap Index, were up 6.9% for the month. Large-cap growth and value stocks were up in July and returned 7.3% for growth and 6.7% for value (as measured by the Wilshire Large Growth and Value). International equities were up as well, with the MSCI EAFE up around 9.5% in dollar terms and (4.7% in local currency). Emerging markets were up at 8.4% in dollar terms (as measured by the MSCI EM Index) during the month.

Domestic and International Fixed Income

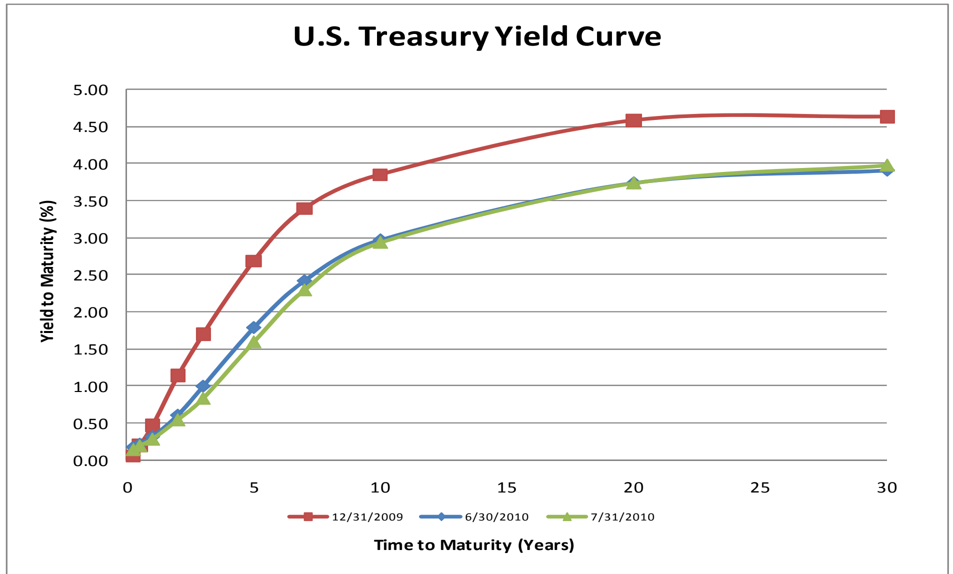
The Barclays Capital Aggregate Bond Index returned 1.1% for July, ahead of the US Treasury return of 0.8% (as measured by BC Intermediate Treasury Index). The BC Long Term Treasury Index returned 0.1% as yields on 30-year Treasury bonds were down from the previous month. U.S. TIPS returned 0.1% (BC U.S. TIPS Index) during July. The high yield bond market returned 3.5% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned 3.6% while the dollar was down against the euro, the yen, and the pound as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate

Public real estate (as measured by the Wilshire US RESI Index) was positive with a return of 9.8 in July. The NCREIF Index of Real Estate Properties returned 3.3% for the quarter ended June 2010.

Private Equity and Absolute Return Strategies

The Venture Economics All Private Equity Index returned -23.6% for the 12 months ended December 2008 and 7.9% for the 10 years ended December 2008. Absolute Return Strategies (HFRI Fund to Funds Index) returned 0.9% in July and 5.3% for the 12 months ended July 2010.



MARKET INDICATORS	12/31/2009	Direction	6/30/2010	Direction	7/31/2010
1Month LIBOR (fixed in $)	0.25%	↑	0.47%	↑	0.59%
Federal Funds	0.00% -0.25%	-	0.00% -0.25%	-	0.00% -0.25%
10Y Treasury Note Yield	3.85%	↓	2.97%	↓	2.94%
30Y Treasury Bond Yield	4.63%	↓	3.91%	↑	3.98%
Wilshire 5000 Comp	11,497.40	↓	10,750.00	↑	11,492.90
S&P 500	1,115.10	↓	1,030.71	↑	1,101.60
NASDAQ Composite	2,291.28	↓	2,109.24	↑	2,254.70
FTSE 100 Index	5,412.90	↓	4,916.90	↑	5,258.00
Nikkei 225 Index	10,546.44	↓	9,382.64	↑	9,537.30
Yen/$ (Dollar Strength)	93.095	↓	88.490	↓	86.66
Euro/$ (Dollar Strength)	0.700	↑	0.816	↓	0.768
GBP/$ (Dollar Strength)	0.619	↑	0.668	↓	0.639
Crude Oil per Barrel	$79.40	↓	$ 75.63	↑	$78.95
Gold ($/oz Daily Spot)	$1,087.5 0	↑	$1,244.00	↓	$1,169.00
GS Commodities TR Index	4,534.12	↓	4,025.97	↑	4,252.64

CalPERS Asset Allocation – July 31, 2010

Summary

- Total Fund Market Value was $207.3 Billion
- Total Fund Book Value was $195.5 Billion
- As of July 31, 2010, all asset classes were within their Strategic Target Policy Ranges.

Book to Market Value Comparison

	Book Value [2] ($ Billion)	Market Value [3] ($ Billion)	Difference (Market – Book) ($ Billion)
Domestic Equity[1]	$36.7	$48.4	$11.7
International Equity	$58.6	$58.3	$-0.3
Global Equity	**$95.2**	**$106.7**	**$11.5**
Domestic Fixed Income	$35.1	$45.3	$10.3
International Fixed Income	$3.0	$3.2	$0.2
Global Fixed Income	**$38.2**	**$48.6**	**$10.3**
AIM	**$31.7**	**$29.5**	**$-2.3**
Real Estate	**$22.3**	**$15.0**	**$-7.3**
Inflation Linked	**$6.3**	**$6.2**	**$-0.1**
Cash Equivalents	**$1.8**	**$1.4**	**$0.3**
Total Fund	**$195.5**	**$207.3**	**$11.8**

[1] Included is MDP Investment - LM Capital Investment: Total Book Value**=$231.6 million,** Total Market Value**=$245.3 million**.
[2] Total value of assets at cost minus liabilities.
[3] Total value of assets at market.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 7/31/2010

	Equity Exposure				Fixed Income Exposure				Real Estate		
	Internally Managed		Externally Managed	Total Equity				Total FI	Exposure (1)	TOTAL	% of Total
Company Name	Active	Passive	Active	Market Value	Internal	External	Sec. Lending(2)	Market Value		Market Value	Fund(3)
GENERAL ELEC CO	40,343,572	398,968,178	58,430,809	497,742,559	434,469,268	9,731,524	225,000,000	669,200,792		**1,166,943,351**	0.47%
EXXON MOBIL CORP	103,549,932	694,307,929	104,290,442	902,148,303				0		**902,148,303**	0.45%
BANK OF AMERICA CORP	41,556,168	330,491,491	68,253,887	440,301,546	331,892,778	40,737,370		372,630,148		**812,931,694**	0.41%
AT+T INC	60,097,247	350,679,410	63,710,093	474,486,750	330,798,298			330,798,298		**805,285,048**	0.40%
JPMORGAN CHASE & CO	45,412,679	362,490,454	72,776,152	480,679,285	223,416,363	10,513,873		233,930,236	42,279,000	**756,888,521**	0.38%
BERKSHIRE HATHAWAY	126,319,788	320,677,812	36,534,238	483,531,838	219,637,326			219,637,326		**703,169,164**	0.35%
APPLE COMPUTER	20,763,162	532,005,863	120,088,159	672,857,184				0		**672,857,184**	0.34%
MICROSOFT CORP	76,768,825	485,864,346	100,823,203	663,456,374				0		**663,456,374**	0.33%
AMERICAN EXPRESS CO	9,165,128	97,768,921	29,288,527	136,222,576	78,009,304	3,605,147	425,000,000	506,614,451		**642,837,027**	0.11%
CITIGROUP INC	22,415,807	195,994,797	38,548,155	256,958,759	361,293,395	19,603,942		380,897,337		**637,856,096**	0.32%
WELLS FARGO & COMPANY	34,375,772	305,560,808	69,663,223	409,599,803	218,698,258	4,232,040		222,930,298		**632,530,100**	0.32%
HSBC HOLDINGS PLC	0	454,124,507	39,510,530	493,635,037	128,560,505			128,560,505		**622,195,542**	0.31%
NESTLE SA	0	463,373,988	120,810,755	584,184,743				0		**584,184,743**	0.29%
ROYAL DUTCH SHELL	0	433,995,225	103,454,504	537,449,729				0		**537,449,729**	0.27%
GOLDMAN SACHS GROUP	19,908,240	177,880,728	44,826,570	242,615,538	260,709,474	5,808,203		266,517,677		**509,133,215**	0.25%
PROCTER AND GAMBLE CO	31,364,132	405,982,159	68,476,815	505,823,106				0		**505,823,106**	0.25%
VERIZON COMMUNICATIONS	25,571,550	186,250,858	31,143,370	242,965,778	247,519,409	1,686,543		249,205,952		**492,171,730**	0.25%
INTERNATIONAL BUSINESS MACHINES	29,650,770	372,591,762	57,381,447	459,623,979				0		**459,623,979**	0.23%
CHEVRONTEXACO CORP	56,067,316	345,711,271	53,042,236	454,820,823				0		**454,820,823**	0.23%
JOHNSON & JOHNSON	33,394,779	362,184,121	47,101,870	442,680,770				0		**442,680,770**	0.22%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

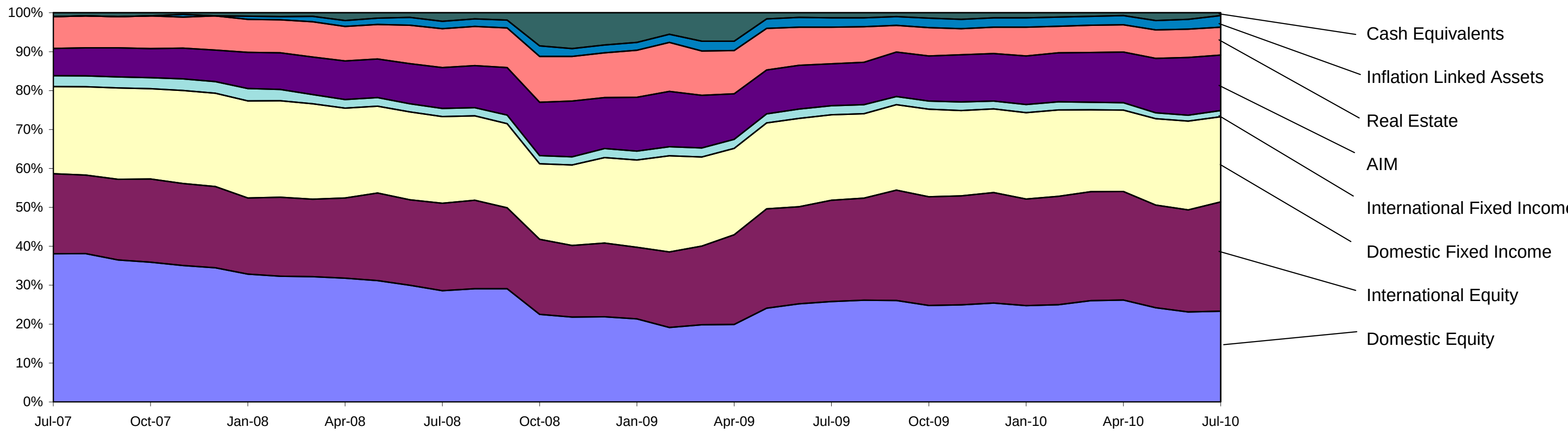
New this month:

Dropped from last month:

CalPERS

Asset Allocation as of July 31, 2010

Total Fund Market Value: **$207,335,623,447**



	Global Equity [2]	Domestic Equity [2]	International Equity [2]	**Global Fixed**	Domestic Fixed	International Fixed [3]	**AIM**	**Real Estate**	**Inflation Linked**	**Cash Equivalents** [2]	Total Fund
Strategic Target Range %	**44-54%**			**15-25%**			**9-19%**	**5-15%**	**2-5%**	**0-5%**	
Strategic Target %	49.0%	24.5%	24.5%	20.0%	18.0%	2.0%	14.0%	10.0%	5.0%	2.0%	N/A
Actual Investment %	51.5%	23.3%	28.1%	23.4%	21.9%	1.6%	14.2%	7.2%	3.0%	0.7%	N/A
Variance % (Strategic vs. Actual)	**2.5%**	**(1.2%)**	**3.6%**	**3.4%**	**3.9%**	**(0.4%)**	**0.2%**	**(2.8%)**	**(2.0%)**	**(1.3%)**	N/A
Strategic Target $ [1]	$101.6	$50.8	$50.8	$41.5	$37.3	$4.1	$29.0	$20.7	$10.4	$4.1	$207.3
Actual Investment $ [1]	$106.7	$48.4	$58.3	$48.6	$45.3	$3.2	$29.5	$15.0	$6.2	$1.4	$207.3
Variance $(Strategic vs. Actual) [1]	**$5.1**	**($2.4)**	**$7.5**	**$7.1**	**$8.0**	**($0.9)**	**$0.4**	**($5.7)**	**($4.2)**	**($2.7)**	N/A
% Passive	68.3%	67.0%	69.3%	0.0%	0.0%	0.0%	0.0%	5.6%	0.0%	0.0%	35.1%
% Active	31.7%	33.0%	30.7%	100.0%	100.0%	100.0%	100.0%	94.4%	100.0%	100.0%	64.9%
% Internal	76.6%	76.6%	76.6%	89.7%	96.1%	0.0%	0.0%	7.1%	57.7%	100.0%	63.2%
% External	23.4%	23.4%	23.4%	10.3%	3.9%	100.0%	100.0%	92.9%	42.3%	0.0%	36.8%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
* When summing amounts on this report, there may be breakage.
* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

[1] ($ Billion)

[2] Equity overlay funds are included in International Equity, currency overlay funds are included in Cash and the Global Equity Cash Account is included in Domestic Equity and Domestic Fixed Income Transition Account is included in Domestic Fixed Income

[3] Closed fund SWEW is included in International Fixed Income but not in the performance figures

Private Market Commitment as of July 31, 2010

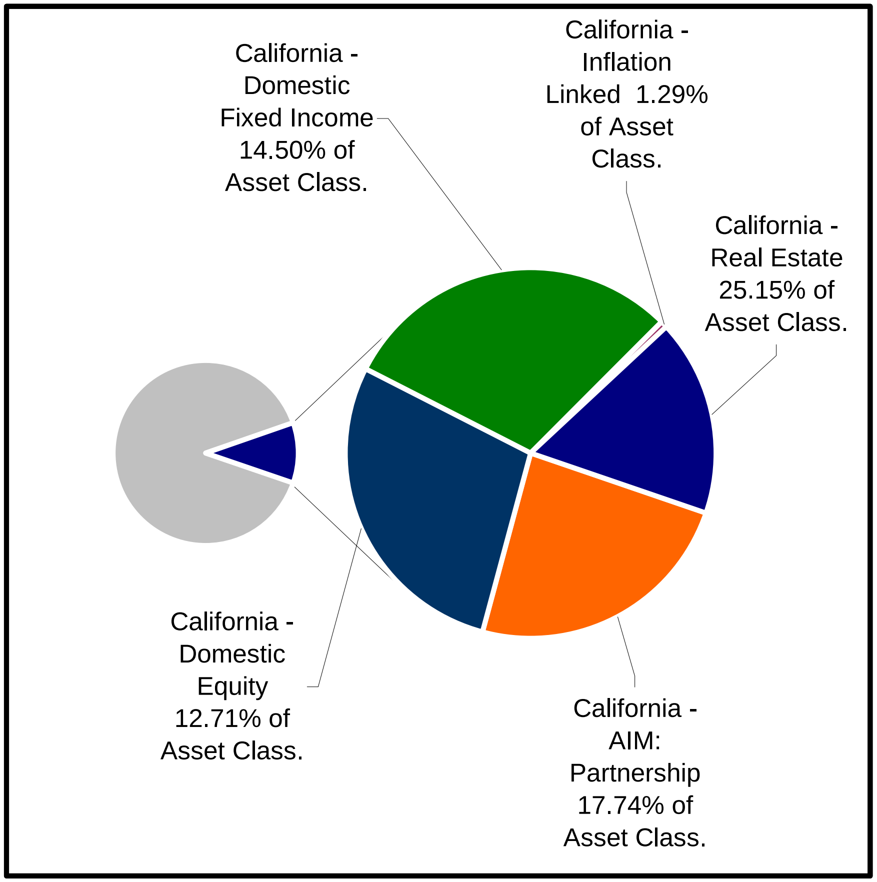
AIM				**Real Estate**			
Funded	**$(in Billions)**	**% Allocation**	**Target Range**	**Funded**	**$(in Billions)**	**% Allocation**	**Target Range**
Fair Market Value (FMV)	$29.46	14.21%	**9-19%**	Fair Market Value (FMV)	$14.99	7.23%	**5-15%**
Unfunded Commitment	$18.58	8.96%		Unfunded Commitment (as of 5/31/10)	$7.67	3.70%	
Fair Market Value plus Unfunded Commitment	**$48.04**	**23.17%**		**Fair Market Value plus Unfunded Commitment**	**$22.66**	**10.93%**	
Infrastructure				**Forestland**			
Funded	**$(in Billions)**	**% Allocation**	**Target Range**	**Funded**	**$(in Billions)**	**% Allocation**	**Target Range**
Fair Market Value (FMV)	$.26	0.13%	**0-3%**	Fair Market Value (FMV)	$2.36	1.14%	**0-2%**
Unfunded Commitment	$.45	0.22%		Unfunded Commitment	$.02	0.01%	
Fair Market Value plus Unfunded Commitment	**$.71**	**0.34%**		**Fair Market Value plus Unfunded Commitment**	**$2.38**	**1.15%**	

CalPERS Investments in the State of California – July 31, 2010

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

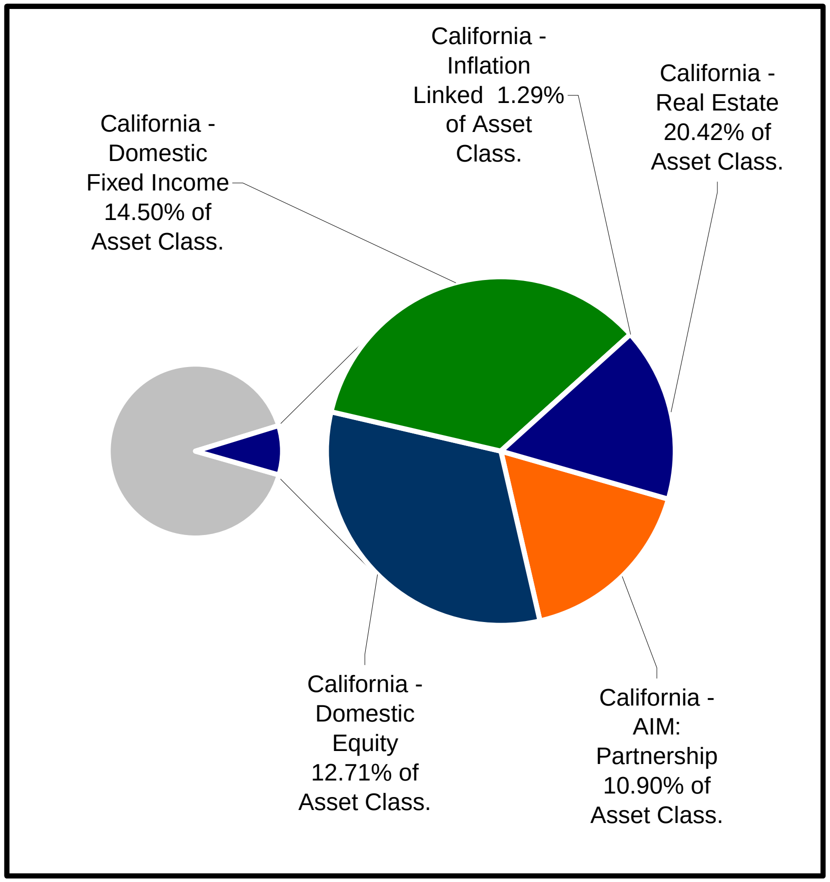
California Investments plus Additional Commitments

Current California Commitments at 7/31/2010 Total Fund %: 10.51%



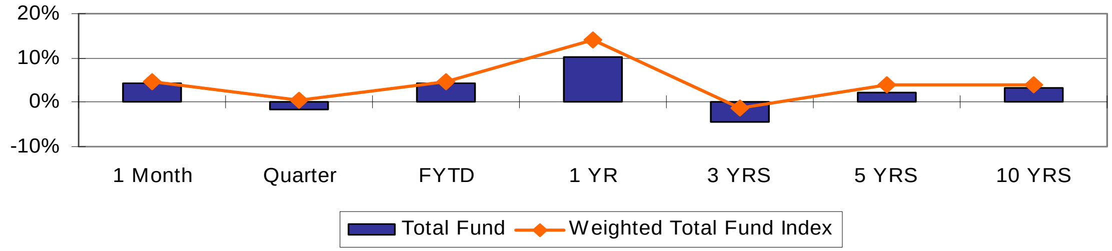
California Investments

Current California Investments at 7/31/2010 Total Fund %: 9.20%

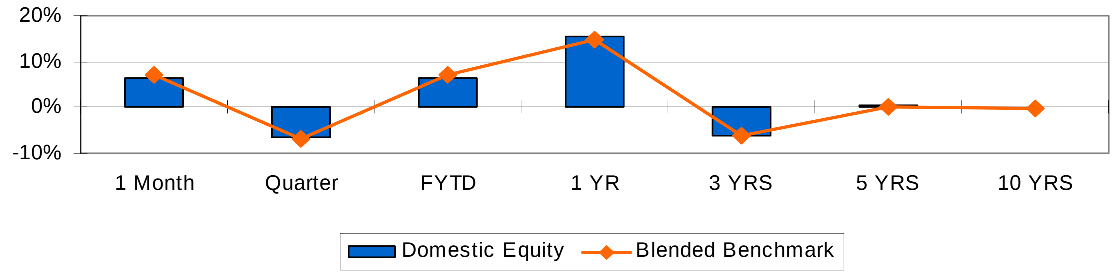


Performance Summary – July 31, 2010

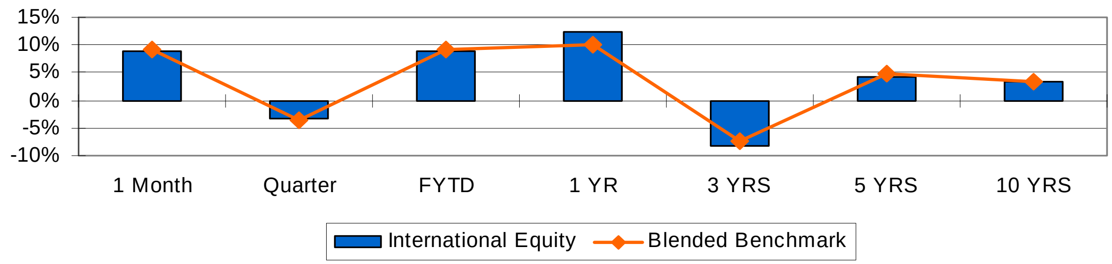
Total Plan:
Net Total Fund returns have underperformed the actual Weighted Total Fund Index in all time periods. Ten-year net returns were 3.18% versus 3.94% for the Actual Weighted Index.



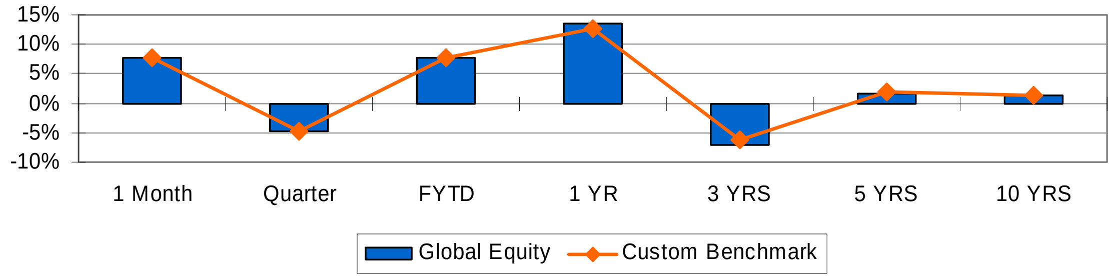
Domestic Equity:
Net Domestic Equity returns have outperformed the blended benchmark in all time periods except the one-quarter and fiscal-year-to-date periods. Ten-year net returns were 0.22% versus -0.18% for the blended benchmark.



International Equity:
Net International Equity returns have underperformed the blended benchmark in all time periods except the one-quarter and one-year periods. Ten-year net returns were 3.26% versus 3.44% for the blended benchmark.

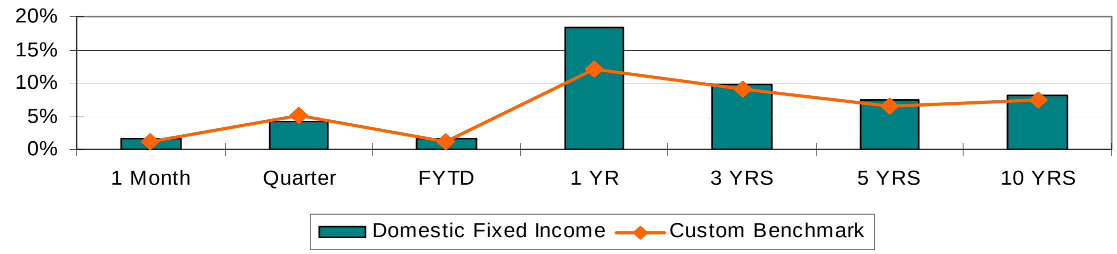


Global Equity:
Net Total Global Equity returns have underperformed the benchmark in all time periods except the one-year and ten-year periods. Ten-year net returns were 1.21% versus 1.20% for the blended benchmark.

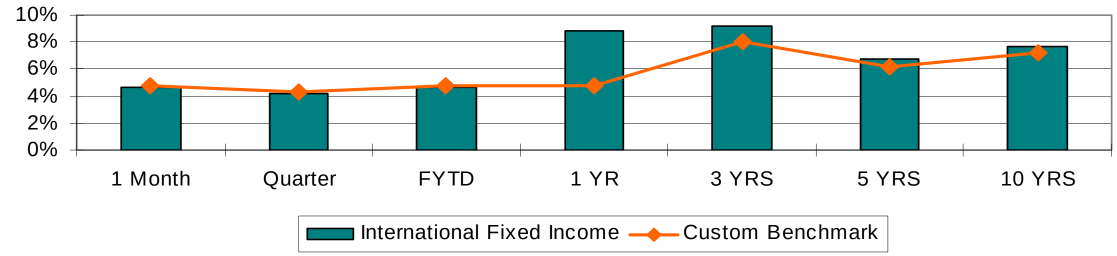


Performance Summary – July 31, 2010

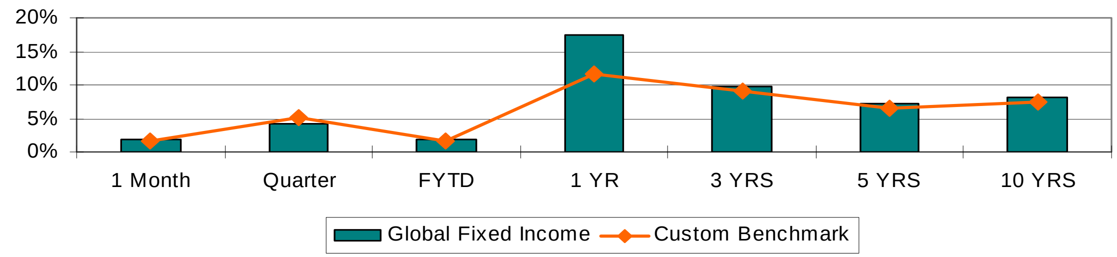
Domestic Fixed Income:
Net Domestic Fixed Income returns have outperformed the benchmark in all time periods except the one-quarter and three-year periods. Ten-year net returns were 8.11% versus 7.55% for the benchmark.



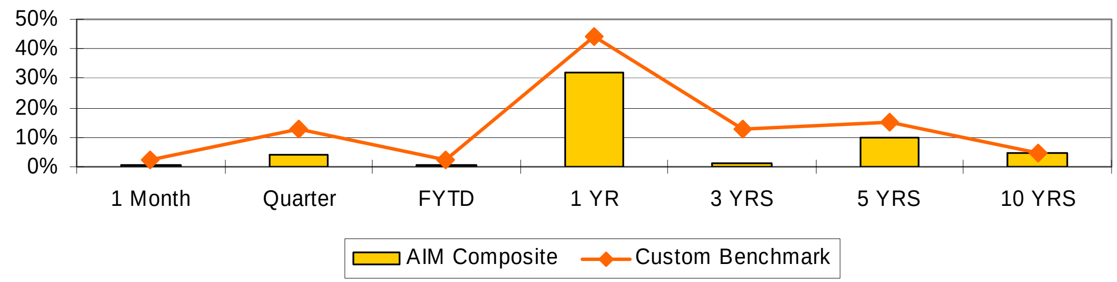
International Fixed Income:
Net International Fixed Income returns have outperformed the benchmark in all time periods except the one-month, one-quarter and fiscal-year-to-date periods. Ten-year net returns were 7.66% versus 7.24% for the benchmark.



Global Fixed Income:
Net Global Fixed Income returns have outperformed the benchmark in all time periods except the one-quarter period. Ten-year net returns were 8.11% versus 7.53% for the benchmark.



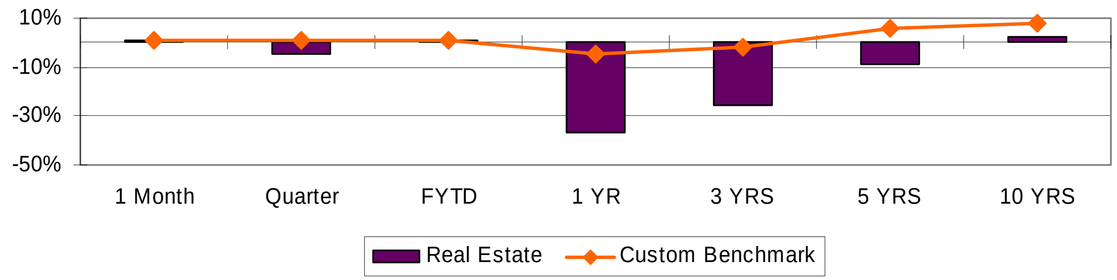
AIM Composite:
Net AIM Composite returns have underperformed the custom blended benchmark in all time periods. Ten-year net returns were 4.49% versus 4.93% for the benchmark.



Performance Summary – July 31, 2010

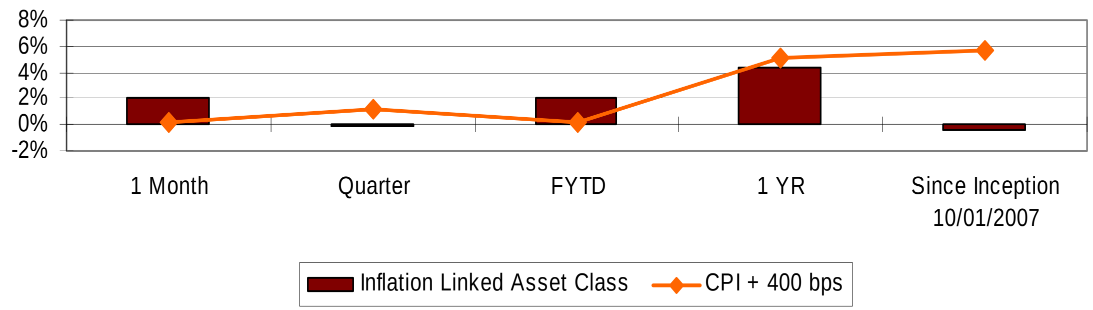
Real Estate:

Net Total Real Estate returns have underperformed the benchmark in all time periods. Ten-year net returns were 2.16% versus 7.83% for the benchmark.



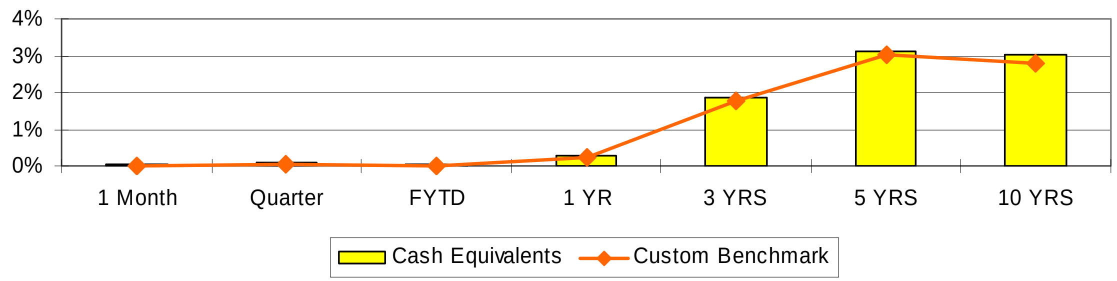
Inflation Linked:

Net returns for the Inflation Linked portfolio have outperformed the benchmark in all time periods except the one-quarter, one-year and since inception periods. Since inception net returns were -0.37% versus 5.75% for the benchmark.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have outperformed the benchmark in all time periods. Ten-year net returns were 3.01% versus 2.78% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Periods Ending July 31, 2010

CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL $(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	21.2	43,927,074	6.27	-6.55	6.27	15.38	-5.96	0.47	0.26
CALPERS CUSTOM FTSE TMI (BLENDED)			6.94	-7.03	6.94	14.89	-6.29	0.17	-0.18
TOTAL INTL EQUITY	28.1	58,310,866	8.82	-3.43	8.82	12.36	-8.13	4.30	3.32
CALPERS FTSE ALL-WORLD EX US			9.13	-3.53	9.13	10.19	-7.39	4.87	3.44
TOTAL GLOBAL EQUITY EQUITIZATION	2.1	4,437,418	8.29	-5.87	8.29	10.10			
TOTAL GLOBAL EQUITY	51.5	106,675,358	7.72	-4.86	7.72	13.48	-6.97	1.67	1.26
TOTAL GLOBAL EQ EX AIM BENCHMARK			7.84	-4.71	7.84	12.62	-6.27	2.00	1.20
TOTAL DOMESTIC FIXED INCOME	21.3	44,163,117	1.62	4.21	1.62	18.29	9.66	7.38	8.12
CALPERS CUSTOM BC LPF (DAILY)			1.26	5.13	1.26	12.20	9.14	6.57	7.55
TOTAL INTL FIXED INCOME	1.6	3,217,605	4.62	4.26	4.62	8.88	9.35	6.79	7.75
CALPERS WORLD GOVT X US			4.73	4.35	4.73	4.81	8.01	6.14	7.24
TOTAL GLOBAL FIXED INCOME	22.9	47,388,093	1.82	4.16	1.82	17.33	9.67	7.33	8.13
CALPERS TOTAL GBL FIXED INCOME POLICY			1.54	5.07	1.54	11.61	9.10	6.59	7.53
TOTAL AIM COMPOSITE	14.2	29,458,917	0.67	3.80	0.67	32.14	1.16	9.76	4.50
WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU			2.34	12.87	2.34	44.43	12.59	14.83	4.93
WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR			2.34	12.87	2.34	44.43	-1.41	6.50	3.43
TOTAL REAL ESTATE	7.2	14,990,907	0.63	-4.32	0.63	-35.78	-24.03	-6.12	4.64
90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL			1.11	1.05	1.11	-4.74	-2.20	5.56	7.83
TOTAL INFLATION LINKED	3.0	6,185,711	2.00	0.00	2.00	4.93			
CPI+400 BPS 1 MONTH LAGGED			0.23	1.14	0.23	5.09			
TOTAL CASH EQUIVALENTS	0.9	1,777,163	0.03	0.08	0.03	0.28	1.86	3.13	3.01
PERS CUSTOM STIF NET OF FEES			0.02	0.06	0.02	0.25	1.78	3.02	2.78
CURRENCY + ASSET ALLOC TRANSITION	0.4	859,475							
TOTAL FUND	100.0	207,335,623	4.24	-1.54	4.24	10.51	-4.35	2.58	3.39
CALPERS POLICY INDEX			4.78	1.06	4.78	14.74	0.33	5.02	4.25
ACTUAL WEIGHTED TOTAL FUND INDEX			4.67	0.34	4.67	13.86	-1.23	4.12	3.94

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)
AIM (SJAIM); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)
Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Periods Ending July 31, 2010

CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL $(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	21.2	43,927,074	6.26	-6.56	6.26	15.33	-6.02	0.41	0.22
CALPERS CUSTOM FTSE TMI (BLENDED)			6.94	-7.03	6.94	14.89	-6.29	0.17	-0.18
TOTAL INTL EQUITY	28.1	58,310,866	8.81	-3.44	8.81	12.32	-8.18	4.25	3.26
CALPERS FTSE ALL-WORLD EX US			9.13	-3.53	9.13	10.19	-7.39	4.87	3.44
TOTAL GLOBAL EQUITY EQUITIZATION	2.1	4,437,418	8.29	-5.87	8.29	10.10			
TOTAL GLOBAL EQUITY	51.5	106,675,358	7.72	-4.87	7.72	13.44	-7.03	1.62	1.21
TOTAL GLOBAL EQ EX AIM BENCHMARK			7.84	-4.71	7.84	12.62	-6.27	2.00	1.20
TOTAL DOMESTIC FIXED INCOME	21.3	44,163,117	1.62	4.21	1.62	18.29	9.66	7.38	8.11
CALPERS CUSTOM BC LPF (DAILY)			1.26	5.13	1.26	12.20	9.14	6.57	7.55
TOTAL INTL FIXED INCOME	1.6	3,217,605	4.62	4.24	4.62	8.80	9.24	6.70	7.66
CALPERS WORLD GOVT X US			4.73	4.35	4.73	4.81	8.01	6.14	7.24
TOTAL GLOBAL FIXED INCOME	22.9	47,388,093	1.82	4.16	1.82	17.33	9.66	7.32	8.11
CALPERS TOTAL GBL FIXED INCOME POLICY			1.54	5.07	1.54	11.61	9.10	6.59	7.53
TOTAL AIM COMPOSITE	14.2	29,458,917	0.67	3.80	0.67	32.13	1.16	9.75	4.49
WILSHIRE 2500 + 300 BPS 1 QTR LAG / CYFU			2.34	12.87	2.34	44.43	12.59	14.83	4.93
WILSHIRE 2500 + 300 BPS X TOBCO LAG 1 QTR			2.34	12.87	2.34	44.43	-1.41	6.50	3.43
TOTAL REAL ESTATE	7.2	14,990,907	0.63	-4.62	0.63	-36.95	-25.31	-8.55	2.16
90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL			1.11	1.05	1.11	-4.74	-2.20	5.56	7.83
TOTAL INFLATION LINKED	3.0	6,185,711	2.00	-0.11	2.00	4.41			
CPI+400 BPS 1 MONTH LAGGED			0.23	1.14	0.23	5.09			
TOTAL CASH EQUIVALENTS	0.9	1,777,163	0.03	0.08	0.03	0.28	1.86	3.13	3.01
PERS CUSTOM STIF NET OF FEES			0.02	0.06	0.02	0.25	1.78	3.02	2.78
CURRENCY + ASSET ALLOC TRANSITION	0.4	859,475							
TOTAL FUND	100.0	207,335,623	4.24	-1.57	4.24	10.30	-4.53	2.34	3.18
CALPERS POLICY INDEX			4.78	1.06	4.78	14.74	0.33	5.02	4.25
ACTUAL WEIGHTED TOTAL FUND INDEX			4.67	0.34	4.67	13.86	-1.23	4.12	3.94

Equity (SH4KA1, SHAKA1, SWJH, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)
AIM (SJAIM); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)
Cash and Currency (SJVKA1,SX1LA1); Total Fund (SJ1CA1)

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Closed Session Transactions

- There was one closed session transaction reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

Investment Policy Violations

- According to policy requirements, the following is a summary of investment policy violations extracted from the quarterly reports prepared for Investment Committee consideration. Executive Summaries and full reports are available in the Supplemental Reporting Document.

Global Equity, AIM, ILAC, Cash Equivalents, Supplemental Income Plans, Real Estate

Report Containing Violation	Violation Description
No items to report	

Fixed Income

Report Containing Violation	Violation Description
Securities Lending Earnings	The external cash collateral pool violated the policy during the second quarter of the calendar year when a Student Loan Asset Backed Security (ABS) was downgraded by S&P. Eleven Asset Backed Securities from five issuers, one Corporate Note, and two Structured Investment Vehicles (SIV's) with credit quality policy violations carried over into the second quarter of the calendar year. These securities were purchased by external managers and downgraded by Fitch, Moody's and S&P in prior calendar years. During the second quarter of this calendar year, five Asset Backed Securities from three issuers were removed from the Policy Violation list after paying off. Staff is working to maximize value and will continue to update the Board accordingly.

Items Completed Under Delegated Authority

- According to policy requirements, the following is a summary of items completed under delegated authority extracted from the reports prepared for Investment Committee consideration. Full reports are available in the Supplemental Reporting Document.

Real Estate, Risk Managed Absolute Return Strategies, AIM, Corporate Governance, ILAC

Investment	Commitment
No items to report	

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Activity Reports

- Staff prepares activity reports for the AIM, Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance and Inflation Linked Asset Class Programs. Detailed reports and investment summaries for these programs are included in the supplemental reporting document.

AIM Activity Report

Activity	Month	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	121	442	350	296	220	8,112
Declined/Referred/Failed to Materialize	110	387	339	245	217	6,593
Deals in Screening	184	442	349	295	220	5,118
Due Diligence Reviews	8	76	31	12	9	816

Real Estate Investments Activity Report:

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception *
Investment Proposals Entered	36	N/A	N/A	138	23	87	248
Declined/Referred/Failed to Materialize	33	N/A	N/A	120	29	86	235
Deals in Screening	8	N/A	N/A	24	33	17	74
Due Diligence Reviews	0	N/A	N/A	3	0	0	3
* As of January 2, 2008							

Risk Managed Absolute Return Strategies Program Activity Report

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	0	69	90	118	66	0	900
Declined/Referred/Failed to Materialize	0	1	0	0	0	0	243
Deals in Screening	0	68	90	118	66	0	645
Due Diligence Reviews	0	68	90	118	66	0	645
Allocations Approved by RMARS Board	2	52	66	31	0	10	216
New ARD Funds Approved by RMARS Board	0	9	8	3	0	0	44
Funded Investments ($ Millions)	$105	$1,809	$2,499	$1,069	$0	$410	$7,299

Corporate Governance Activity Report

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception *
Investment Proposals Entered	0	N/A	N/A	7	1	0	8
Declined/Referred/Failed to Materialize	0	N/A	N/A	6	13	5	24
Deals in Screening	N/A	N/A	N/A	N/A	N/A	0	0
Due Diligence Reviews	1	N/A	N/A	21	9	6	36
* As of April 1, 2008							

Operations/Policy Violations/Activity Reports/Placement Agent Fees

Activity Reports (cont.)

Inflation Linked Asset Class Activity Report - Infrastructure

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	20	N/A	12	57	52	63	184
Declined/Referred/Failed to Materialize	0	N/A	N/A	11	58	52	121
Deals in Screening	61	N/A	12	57	52	63	184
Due Diligence Reviews	1	N/A	N/A	0	4	2	6

Inflation Linked Asset Class Activity Report - Forestland

Activity	Month	2006	2007	2008	2009	2010 YTD	Since Inception
Investment Proposals Entered	0	N/A	N/A	9	5	2	16
Declined/Referred/Failed to Materialize	0	N/A	N/A	7	6	1	14
Deals in Screening	0	N/A	N/A	9	5	2	16
Due Diligence Reviews	0	N/A	N/A	1	0	0	1

Disclosure of Placement Agent Fees

Asset Class	Firm Name	Fund	Placement Agent Firm	Estimated Placement Agent Compensation	Disclosure Type
AIM	HL Equity Partners	HL Equity Partners Fund IV	Lazard Freres & Co., LLC	[1,2]	Proposed New Investment
AIM	Energy Capital Partners II, LP	Energy Capital Partners II, LP	Park Hill, LLX	[1]	Proposed New Investment
Global Equity	KLS Diversified Asset Management LP	KLS Diversified Fund, Ltd.	APB Financial Group LLC	[2,3]	Closed/Funded
Global Equity	Gartmore Distribution Services	AlphaGen Volantis Fund Limited	Gartmore Distribution Services, Inc.	$11,475 [2/4]	Closed Funded
Global Equity	Ermitage Asset Management Jersey Limited	Ermitage Global Dynamic Trading Fund	Ermitage Asset Management Jersey	$49,576 [2/5]	Closed/Funded

[1] – Placement agent compensation allocated to CalPERS is based on commitment amount. If the commitment is made, an update will be provided in a future report.

[2] – Disclosure Submitted by Fund of Funds Manager

[3] – Update per the April 19, 2010, Disclosure of Placement Agent Fees Report; no fees paid as of funding May 1, 2010.

[4] – Update per the August 16, 2010, Disclosure of Placement Agent Fees Report; fees paid for the period August 2009 to December 2009.

[5] – Update per the August 16, 2010, Disclosure of Placement Agent Fees Report; fees paid for the period July 2009 to December 2009.

Quarterly Reports

According to policy requirements, the following is summary information extracted from the quarterly reports prepared for Investment Committee consideration. Executive Summaries and full reports are available in the Supplemental Reporting Document.

Securities Lending Earnings

Earnings for the quarter ended June 30, 2010, are presented to the Investment Committee for information.

	Average Lendable Assets ($000)	Average % on Loan	Earnings (Annualized)	Income to CalPERS ($000)	
Asset Class Earnings					
Global Equities	$53,427,924	25%	23 bp	$31,093	
Global Fixed Income	$8,524,520	80%	16 bp	$3,477	
Total Program Earnings	$61,952,444			$34,570	
Unrealized gain on internal collateral reinvestment				$57,304	*
Total Program Earnings including unrealized gain				$91,874	

*Unrealized gains resulted from CalPERS use of mark-to-market accounting on the valuation of the internal cash pool, which is not market convention on collateral reinvestment pools.

Policy Violations:
Our external cash collateral pool violated the policy during the second quarter of the calendar year when a Student Loan Asset Backed Security (ABS) of Sallie Mae Student Loan Trust was downgraded to AA by S&P. Policy requires a minimum ABS rating of Aaa/AAA/AAA (Moody's/S&P/Fitch).

Staff has reviewed the security and continues to monitor for opportunities to maximize the value of this position either through out right sale or holding to maturity.

Carry Over Violations:
Eleven Asset Backed Securities from five issuers, one Corporate Note, and two Structured Investment Vehicles (SIV's) with credit quality policy violations carried over into the second quarter of the calendar year. These securities were purchased by external managers and downgraded by Fitch, Moody's and S&P in prior calendar years.

During the second quarter of this calendar year, five Asset Backed Securities from three issuers were removed from the Policy Violation list after paying off.

Staff expects the remaining six Asset Backed Securities and one Corporate Note violations to mature and pay down over the next 18 to 20 months. The SIV's are currently under review and Staff is working to maximize value and will continue to update the Board accordingly.

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

Portfolio Summary and Transactions Report:

- Purchases (Page 18)
- Sales (Page 19)
- Currency Hedge Portfolio Summary (Page 20)
- Currency Hedge Portfolio Transactions (Page 20)

Investment Transaction Information: (full reporting is available in the supplemental reporting document)

- Domestic Fixed Income Transactions
- International Fixed Income Transactions
- Domestic Equity Transactions
- International Equity Transactions
- Real Estate Investment Trust (REIT) Transactions
- AIM Program Transactions
    - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Items Completed Under Delegation of Authority
    - Investment Summaries
        - No items to report
- Real Estate Equity Transactions
    - Summary Listing of Investments and Redemptions
- Real Estate Program Items Completed Under Delegation of Authority
    - Investment Summaries
        - No Items to Report
- Risk Managed Absolute Return Strategies Program Transactions
    - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
    - Dispositions Summaries
        - No items to report
    - Acquisitions Summaries
        - No items to report
- Inflation Linked Assets Transactions
    - Summary Listing of Investments and Redemptions
- Inflation Linked Assets Items Completed Under Delegation of Authority
    - Investment Summaries
        - No Items to Report

Investment Transactions

<u>Investment Transaction Information (continued)</u>: (full reporting is available in the supplemental reporting document)

- Corporate Governance Program Items Completed Under Delegation of Authority
    - Investment Summaries
        - No items to report
- Manager Development Program – Private Markets Transactions
    - Summary Listing of Investments and Redemptions
        - No items to report
- Internally Managed Derivative Transactions Summary
    - Investment Summaries
        - Futures purchases: $276.1 million notional
        - Futures sales: $906.5 million notional
        - Swaps: $1,216.0 million notional

INVESTMENT TRANSACTONS SUMMARY

($ Millions)
July 2010

PURCHASES

	COST	%OF PURCHASES
EQUITIES:		
Domestic	$855.8	6.66%
International	$1,586.7	12.35%
Total	$2,442.5	19.02%
FIXED INCOME:		
Domestic	$5,624.0	43.79%
International	$2,144.0	16.69%
Total	$7,768.0	60.48%
ALTERNATIVE INVESTMENTS:		
Partnership Component	$680.1	5.30%
REAL ESTATE:		
Real Estate Equity	$498.2	3.88%
INFLATION LINKED ASSETS:		
Inflation Linked	$1,454.0	11.32%
TOTAL PURCHASES:	**$12,842.9**	**100%**

INVESTMENT TRANSACTONS SUMMARY

($ Millions)
July 2010

SALES

	COST	PROCEEDS	GAIN/ (LOSS)
EQUITIES:			
Domestic	$1,085.9	$1,172.0	$86.1
International	$565.6	$575.3	$9.7
Total	$1,651.5	$1,747.3	95.8
FIXED INCOME:			
Domestic	$6,903.2	$7,049.9	$146.7
International	$2,036.7	$2,053.7	$17.0
Total	$8,939.9	$9,103.6	$163.7
ALTERNATIVE INVESTMENTS:			
Partnership Component	$222.6	$222.6	$0.0
REAL ESTATE:			
Real Estate Equity	$230.3	$228.9	($1.4)
INFLATION LINKED ASSETS:			
Inflation Linked	$1,439.0	$1,442.7	$3.7
TOTAL SALES:	**$12,483.3**	**$12,745.1**	**$261.8**

CURRENCY HEDGE PORTFOLIO SUMMARY

($ Millions)
July 2010

PENDING FX CONTRACTS	**COST**	**MARKET VALUE**
Total FX Purchased	$9,433.5	$9,822.7
Total FX Sold	$15,757.3	$16,368.4
CURRENCY OPTIONS		
Currency Puts	($73.4)	($73.4)

"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

($ Millions)
July 2010

PURCHASES	**COST**
Pending FX Contracts	$3,727.6
SALES	**PROCEEDS**
Pending FX Contracts	$2,876.9

Affiliate Funds Reports

State Street Bank has compiled the following Affiliate Funds Performance Reports for the periods ending July 31, 2010. **(full reporting is available in the supplemental reporting document)**

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Periods Ending July 31, 2010

Affiliate Funds Monthly Performance Summary - Plan Comparison
RATES OF RETURN - Gross

	MKT VAL $(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS	10 YRS
CALPERS CERBT FUND	1,382,669	6.38	-3.00	6.38	1.66	14.28	-2.79		
CERBT POLICY INDEX		6.54	-2.61	6.54	1.70	14.00	-3.21		
CALPERS HEALTH CARE BOND FUND	438,028	1.22	2.79	1.22	6.66	10.23	7.33		
BC AGGREGATE (DAILY)		1.07	3.52	1.07	6.46	8.91	7.63		
JUDGE'S RETIREMENT FUND	38,763	0.03	0.06	0.03	0.12	0.25	1.79	3.01	2.80
91 DAY TREASURY BILL (DAILY)		0.02	0.05	0.02	0.07	0.16	1.44	2.72	2.65
JUDGES II FUND	427,719	5.64	-1.82	5.64	3.37	15.01	-1.42	3.14	3.26
CAL JRS II POLICY INDEX		5.64	-1.38	5.64	3.15	13.94	-1.29	3.24	3.11
LEGISLATOR'S RETIREMENT FUND	117,226	3.72	-0.23	3.72	5.23	14.10	2.77	4.72	4.65
CAL LRS POLICY INDEX (DAILY)		3.66	0.33	3.66	4.82	12.35	2.53	4.39	4.75
LONG TERM CARE FUND	2,740,369	5.01	-1.39	5.01	3.76	14.92	0.26	3.97	3.47
CAL LTC POLICY INDEX (DAILY)		4.99	-1.00	4.99	3.48	13.84	0.30	3.92	3.24
CONTINGENCY RESERVE FUND	6,095	0.02	0.06	0.02	0.12	0.25	1.79	3.02	2.80
91 DAY TREASURY BILL (DAILY)		0.02	0.05	0.02	0.07	0.16	1.44	2.72	2.65

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Periods Ending July 31, 2010

Affiliate Funds Monthly Performance Summary - Plan Comparison
RATES OF RETURN - Net Mgr

	MKT VAL $(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS	10 YRS
CALPERS CERBT FUND	1,382,669	6.38	-3.00	6.38	1.66	14.28	-2.79		
CERBT POLICY INDEX		6.54	-2.61	6.54	1.70	14.00	-3.21		
CALPERS HEALTH CARE BOND FUND	438,028	1.22	2.79	1.22	6.66	10.23	7.33		
BC AGGREGATE (DAILY)		1.07	3.52	1.07	6.46	8.91	7.63		
JUDGE'S RETIREMENT FUND	38,763	0.03	0.06	0.03	0.12	0.25	1.79	3.01	2.80
91 DAY TREASURY BILL (DAILY)		0.02	0.05	0.02	0.07	0.16	1.44	2.72	2.65
JUDGES II FUND	427,719	5.64	-1.82	5.64	3.37	15.01	-1.42	3.14	3.26
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LEGISLATOR'S RETIREMENT FUND	117,226	3.72	-0.23	3.72	5.23	14.10	2.77	4.72	4.65
CAL LRS POLICY INDEX (DAILY)		3.66	0.33	3.66	4.82	12.35	2.53	4.39	4.75
LONG TERM CARE FUND	2,740,369	5.01	-1.39	5.01	3.76	14.92	0.26	3.97	3.47
CAL LTC POLICY INDEX (DAILY)		4.99	-1.00	4.99	3.48	13.84	0.30	3.92	3.24
CONTINGENCY RESERVE FUND	6,095	0.02	0.06	0.02	0.12	0.25	1.79	3.02	2.80
91 DAY TREASURY BILL (DAILY)		0.02	0.05	0.02	0.07	0.16	1.44	2.72	2.65